



## **For Immediate Release**

**June 7, 2012**

### **Mississippi To Receive Nearly \$1 Million in AIG Settlement**

Jackson – Mississippi will receive nearly \$1 million in fines, penalties and taxes from American International Group Inc., AIG, and its workers compensation insurance affiliates Commissioner of Insurance Mike Chaney announced today.

The monies are a result of a 2010 settlement agreement in a multi-state market conduct examination of AIG for its writing and financial reporting practices regarding workers compensation insurance that began in 2005. This settlement is not involved or associated with AIG's 2009 financial difficulties. The agreement was finalized on May 29, 2012 and was a cooperative effort between state commissioners who are members of the National Association of Insurance Commissioners.

AIG will pay a total of \$100 million in penalties, as well as \$46.5 million in additional premium taxes and assessments to all fifty states and the District of Columbia prior to the end of June.

“The accuracy of company financial data is critical to state regulators,” Chaney said.

AIG was found to have operated in a pooled arrangement and underestimated their liabilities under inter-company policyholder guarantees. Through this agreement they have corrected previous financial reports and reallocated approximately \$2.1 billion of premium to workers compensation.

“Those who are granted a license to do business in this state will suffer the consequences if it is found they have violated that trust and the insurance laws of this state. Consumer protection is a priority for all states and this is an excellent example of states working together in the best interests of consumers,” Chaney said.

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